(c) if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. Such a provision exists in Section 9(3)(f) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980.

(b) and (c) There is no provision in the Regional Rural Banks Act, 1976 for appointment of officer/employee as a Director in the Board of Directors in Regional Rural Banks (RRBs). Further, at present there is no proposal to change the structure of Board of Directors of RRBs.

Levy of taxes by states

4208. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) what is the present Constitutional provision With regard to levy of taxes by States;

(b) whether Government are considering any proposal to amend the Constitution with a view to divest the States of such power; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The States levy taxes are per the subjects enumerated in List-II (State List) of the seventh schedule to the Constitution of India.

(b) and (c) At present, there is no proposal to amend the Constitution with a view to divest the States of such power.

Insurance cover for reconstruction of houses damaged due to natural calamities

4209. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether insurance cover is provided to the poor people for reconstruction of their houses damaged due to natural calamities like fire, floods, cyclone, Tsunami, earthquake etc.; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM); (a) and (b) The General Insurance Companies, both

in public sector and private sector, are marketing insurance policies for coverage of risk of loss/damage of houses due to natural calamities like fire, floods, cyclone, Tsunami, earthquake etc. These insurance policies however, are voluntary and could be purchased by anybody by making payment of requisite premium.

Dialogue forum for RRBs

*4210. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether there is any dialogue forum at Central level for Regional Rural Banks;

(b) if so, the details thereof;

(c) whether Government of India is a Union employer as per section 17(1) of the Regional Rural Banks Act, 1976; if so, who is vested with the powers relating to service conditions and pay fixation of the employees of Regional Rural Banks;

(d) whether sponsoring banks have agreed to the advice of Government for establishment of a dialogue-machinery for consultation and dialogue with Regional Rural Bank Employees *vide* circular issued by Government on 23rd April, 1998; and

(e) if so, when and if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) There is no specific dialogue forum at Central level for Regional Rural Banks.

(c) As per Section 17(1) of the Regional Rural Banks Act, 1976, a Regional Rural Bank (RRB) may appoint such number of officers and other employees as it may consider necessary or desirable for efficient performance of its functions and may determine the terms and conditions of their appointment and service. Further under second Proviso to this section, the powers relating to determining the remuneration of officers and other employees of RRBs is vested with the Central Government.

(d) In terms of Letter No. 7(5)/97-RRB dated 23rd April 1998 (Para 5), Government of India *inter-alia* advised the sponsor banks as follows:

"with a view to developing healthy industrial relations in RRBs, the sponsor banks may also set up some machinery for consultation with employees of the RRBs."

* Original notice of the question was received in Hindi.